

Message Text

UNCLASSIFIED

PAGE 01 LAHORE 00590 200651Z

15

ACTION NEA-05

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 /013 W

----- 130016

P R 200530Z APR 74

FM AMCONSUL LAHORE

TO USDOC WASHDC PRIORITY

INFO SECSTATE WASHDC 9967

AMEMBASSY ISLAMABAD

AMCONSUL KARACHI

AMCONSUL PESHAWAR

UNCLAS LAHORE 0590

E.O. 11652: N/A

TAGS: BEXP, PK

SUBJ: SPECIAL TRADE OPPORTUNITY -- EXPANSION OF CEMENT
INDUSTRY IN PAKISTAN

REF: DEPARTMENT'S A-4119 DATED MAY 10, 1973

SUMMARY: STATE CEMENT CORPORATION OF PAKISTAN (SCC) PLANS TO DOUBLE NATIONAL CEMENT OUTPUT BY 1980. CORPORATION IS PARTICULARLY INTERESTED IN EITHER PURCHASE OF AMERICAN MACHINERY OR AMERICAN PARTICIPATION, OR BOTH, AND WOULD WELCOME VISIT TO PAKISTAN BY INTERESTED US REPRESENTATIVES AT EARLY DATE. ACTION REQUESTED: THAT DEPARTMENT CANVASS APPROPRIATE FIRMS IN US, REQUESTING TELEGRAPHIC EXPRESSIONS OF INTEREST. END SUMMARY.

1. STATE CEMENT CORPORATION OF PAKISTAN SOURCES HAVE INFORMED CONGEN THAT GOP PLANNING COMMISSION HAS PROJECTED DEMAND FOR CEMENT IN DOMESTIC MARKET AT ABOUT 6 MILLION TONS BY 1980, AND POTENTIAL EXPORT MARKET FOR ANOTHER ONE MILLION TONS BY SAME DATE. SCC THUS PLANS TO DOUBLE PRESENT CAPACITY IN 9 FACTORIES UNDER ITS JURISDICTION, FROM 3.4 MILLION TONS TO 7 MILLION TONS BY 1980. TO ACCOMPLISH THIS, SCC HAS PREPARED PLANS FOR EXPANSION OF TWO FACTORIES NOW IN OPERATION, AND FOR CONSTRUCTING TWO NEW FACTORIES. FEASIBILITY STUDIES FOR ALL FOUR OPERATIONS HAVE ALREADY BEEN PREPARED AND SUBMITTED TO ECONOMIC AFFAIRS DIVISION OF GOP MINISTRY OF FINANCE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LAHORE 00590 200651Z

2. SPECIFICS OF PLANS ARE AS FOLLOWS:

(A) MUSTEKHAM CEMENT LIMITED AT HATTAR, NEAR WAH, IN RAWALPINDI DISTRICT OF PUNJAB, WITH PRESENT INSTALLED CAPACITY OF 360,000 TONS, IS TO BE EXPANDED TO 660,000 TON CAPACITY. SCC EXPECTS TO EXPEND DOLS20.1 MILLION FOR EXPANSION, INCLUDING DOLS16.5 IN FOREIGN EXCHANGE.

(B) NATIONAL CEMENT INDUSTRIES LTD. AT DANDOT, NEAR GHARIBWAL IN JHELM DISTRICT OF PUNJAB, WITH PRESENT INSTALLED CAPACITY OF 50,000 TONS, IS TO BE EXPANDED TO 350,000 TON CAPACITY. SCC EXPECTS TO EXPEND DOLS20.5 MILLION FOR EXPANSION, INCLUDING DOLS17.2 IN FOREIGN EXCHANGE.

(C) KOHAT CEMENT COMPANY AT KOHAT IN NORTHWEST FRONTIER IS TO BUILD NEW FACTORY WITH CAPACITY OF 300,000 TONS. SCC EXPECTS COSTS TO BE ABOUT DOLS22.8 MILLION, INCLUDING DOLS13.9 MILLION IN FOREIGN EXCHANGE.

(D) PAK-BISHI CEMENT COMPANY AT LASBELA IN BALUCHISTAN IS TO BUILD NEW FACTORY WITH CAPACITY OF 2 MILLION TONS. SCC EXPECTS COSTS TO BE ABOUT DOLS95.8 MILLION, INCLUDING DOLS66.5 MILLION IN FOREIGN EXCHANGE. (HOWEVER SCC HAS ALREADY ENTERED INTO AGREEMENT WITH MITSUBISHI CORPORATION OF JAPAN TO BUILD THIS FACTORY.)

3. WE HAVE LEARNED FROM IMPECCABLE SOURCE THAT REPRESENTATIVES OF FIRMS IN UNITED ARAB EMIRATES, ROMANIA, YUGOSLAVIA AND WEST GERMANY (PLUS THE JAPANESE) HAVE EXPRESSED KEEN INTEREST IN PARTICIPATING IN PROJECTS LISTED ABOVE, BUT THAT NO US FIRMS HAVE DONE SO. WE KNOW THAT SCC IS ESPECIALLY INTERESTED IN AMERICAN PRODUCTS AND BUILDERS, AND WOULD BE VERY RECEPTIVE TO EXPRESSIONS OF SERIOUS INTEREST ON PART OF US FIRMS, INCLUDING TO SCC HEADQUARTERS IN LAHORE BY REPRESENTATIVES OF SUCH FIRMS. NOTE: IT MAY BE THAT INFORMATION PROVIDED IN USDOC 4196 NOTAL WAS INSTRUMENTAL IN CREATING THIS INTEREST. HOWEVER, SCC IS UNDER STRONG GOP PRESSURE TO GET WORK STARTED, SO SUCH EXPRESSIONS OF INTEREST, TO BE EFFECTIVE, SHOULD REACH SCC AT LATEST BY MID-MAY, AND IF POSSIBLE BY END OF APRIL.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LAHORE 00590 200651Z

4. ACTION REQUESTED: THAT DEPARTMENT CANVASS APPROPRIATE US FIRMS, REQUESTING TELEGRAPHIC EXPRESSIONS OF INTEREST. POST SUGGESTS THAT FIRMS BE URGED TO COMMUNICATE DIRECTLY WITH MR. S.M. ALAM, CHAIRMAN, STATE CEMENT CORPORATION OF PAKISTAN, THIRD FLOOR, WAPDA HOUSE, LAHORE. THEY SHOULD SEND CATALOGUES AND C AND F KARACHI QUOTATIONS AGAINST L/C TO SAME ADDRESS. US FIRMS MAY BE INFORMED THAT FINANCING DOES NOT APPEAR TO BE INSUPERABLE PROBLEM, ALTHOUGH SOFT LOANS

OR SUPPLIERS CREDITS WOULD OF COURSE BE PREFERABLE. PARTIAL
WEST GERMAN UNITED CREDITS ARE ALREADY AVAILABLE.
CONGEN WOULD APPRECIATE BEING INFORMED OF SUCCESS OF USDOC EFFORTS.
GRIFFIN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LAHORE00590
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740092-0969
From: LAHORE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740427/aaaaaxmj.tel
Line Count: 119
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: DEPARTMENT'S A-4119 DATED MAY 10, 19, 73
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 05 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 SEP 2002 by BryanSD>; APPROVED <26 DEC 2002 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SPECIAL TRADE OPPORTUNITY -- EXPANSION OF CEMENT INDUSTRY IN PAKISTAN
TAGS: BEXP, PK
To: COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005